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URBAN A. LESTER

RECORDATION NO. 14872-E FILED

SEP 11 '97

2-00 PM

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RECEIVED  
SURFACE TRANSPORTATION  
BOARD

September 11, 1997

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are three (3) copies of a Bill of Sale and Assignment, dated as of August 1, 1997, secondary documents as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Lease of Railroad Equipment previously filed with the Commission under Recordation Number 14872-B.

The names and addresses of the parties to the enclosed document are:

Seller/Assignor: U.S. West Financial Services, Inc.  
188 Inverness Drive West, Suite 800  
Englewood, Colorado 80112

Buyer/Assignee: USWFS Direct Trust Grand Trunk  
1201 Market Street  
Wilmington, Delaware 19801

A description of the railroad equipment covered by the enclosed document is:

three hundred and ten (310) autoracks bearing GTW reporting marks and road numbers as set forth on Schedule I to the Bill of Sale and Assignment.

Mr. Vernon A. Williams  
September 11, 1997  
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Also enclosed is a check in the amount of \$24.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return two stamped copy of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Robert W. Alvord", followed by a large, stylized flourish or initial.

Robert W. Alvord

RWA/bg  
Enclosures

SEP 11 '97

2-00 PM

**BILL OF SALE AND ASSIGNMENT**

BILL OF SALE AND ASSIGNMENT, made as of this 1st day of August, 1997, between U S WEST FINANCIAL SERVICES, INC., a Colorado corporation (as successor by merger to U S West Capital Corporation) ("Transferor"), and USWFS DIRECT TRUST GRAND TRUNK, a Delaware business trust ("Transferee").

KNOW ALL PERSONS BY THESE PRESENTS that in consideration of the premises and of other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Transferor has, effective from and after the execution hereof by Transferor, assigned, aliened, remised, released, delivered and confirmed, and by this Bill of Sale does convey, grant, bargain, sell, transfer, set over, assign, remise, release, deliver and confirm unto Transferee, its successors and assigns forever, all of the following described properties, assets and rights (collectively, the "Assets"):

a. all right, title and interest of Transferor to and under (i) that certain Lease Agreement of Railroad Equipment, dated as of December 1, 1985, between Transferor, as lessor and Grand Trunk Western Railroad Company, predecessor in interest to Grand Trunk Western Railroad Incorporated, as lessee of 320 fully enclosed auto racks as amended by that certain First Amending Agreement dated as of February 1, 1996 (collectively, the "Lease Agreement"), (ii) the Equipment (as defined in the Lease Agreement and consisting of those units of railroad equipment described on Schedule I attached hereto), (iii) that certain Participation Agreement, dated as of December 1, 1985, among Grand Trunk Western Railroad Company, Grand Trunk Corporation, LaSalle National Bank, Transferor and Aid Association for Lutherans, and (iv) all other indemnities, security agreements, guaranties and other agreements and documents related to the Lease Agreement, the Equipment and the Participation Agreement ((i), (ii), (iii), and (iv) collectively, the "Conveyed Property").

b. Transferee hereby accepts the foregoing assignment, and (i) confirms that it shall be deemed to be a party to the Lease Agreement, and (ii) agrees to be bound by all of the terms of, and to undertake all of the obligations of the Transferor contained in the Lease Agreement.

TO HAVE AND TO HOLD all of Transferor's right, title and interest in and to the Assets unto Transferee, its successors and assigns, to its and their own use forever.

AND IN FURTHER CONSIDERATION as aforesaid, Transferor and Transferee, respectively, each for itself, its successors and assigns, has covenanted, bargained and agreed and by this Bill of Sale hereby covenants, bargains and agrees each to and with the other, its successors and assigns, as follows:

1. Transferor hereby covenants and warrants that as of the date of this Bill of Sale it is the true and lawful owner and has good and marketable title to the

properties, assets, rights and interests sold, conveyed, assigned and transferred by this Bill of Sale or by separate conveyance, assignment and transfer, free and clear of all liens, security interests and encumbrances of any kind whatsoever (excepting only the lien on and security interest in certain of the Assets in favor of Mercantile-Safe Deposit and Trust Company, as Loan Trustee or its successor under the Trust Indenture and Security Agreement dated as of April 1, 1981, between such Loan Trustee and Transferor, as owner participant); and Transferor hereby covenants that it has full power, good right, title and lawful authority as to all persons to sell, convey, assign and transfer the Assets, and that it will warrant and defend the Transferee's right, title and interest in and to the Assets to the Transferee, its successors and assigns, against the claims and demands of all and every person or persons whomsoever.

2. Upon written request of Transferee, Transferor at any time and from time to time will promptly execute and deliver to Transferee, without further consideration but without expense to Transferor, such other and further instruments of conveyance, assignment and transfer and other documents, and take such further action, as Transferee may reasonably request for the more effective conveyance, assignment and transfer to Transferee of any of the Assets or in order to obtain the full benefits of this instrument.

3. Transferor hereby makes, constitutes and appoints Transferee the true and lawful attorney-in-fact of Transferor, with full power of substitution, in the name, place and stead of Transferor, but on behalf and for the benefit of Transferee, to demand and receive any and all of the aforesaid properties, assets, rights and interests of Transferor, and to give receipts and releases for and in respect of the same, and any part thereof, and from time to time to institute, prosecute, appear in, defend and appeal in the name of Transferor, or otherwise, at the expense and for the benefit of Transferee, any and all actions, suits and proceedings at law, in equity or otherwise, which Transferee may deem proper in order to collect or reduce to possession any of the aforesaid properties, assets, rights and interests of Transferor and/or in order to collect or enforce any claim or right of any kind hereby conveyed or assigned and transferred, or to resist or defend against any claim, debt, obligation, liability or assertion of a liability assumed by Transferee, or intended so to be, and to do all acts and things in relation to the properties, assets, rights, interests, liabilities and obligations which Transferee shall deem desirable, Transferor hereby declaring that the foregoing powers are coupled with an interest and are and shall be irrevocable by any act of Transferor, or by its winding up and dissolution, or in any other manner or for any reason whatsoever.

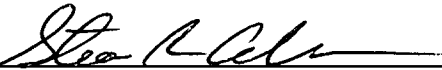
4. This Bill of Sale shall be governed by and construed in accordance with the laws of the State of New York and shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

5. This Bill of Sale may be executed in separate counterparts, each of which when so executed shall be an original, but all such counterparts shall together constitute but one and the same instrument.

6. To the extent permitted by applicable law, the Transferor hereby waives any provision of law which renders any provision hereof prohibited or unenforceable in any respect.

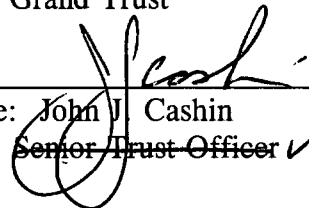
IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed as of the date first above written.

U S WEST FINANCIAL SERVICES, INC., a  
Colorado corporation

By   
Name: Steven R. Carlson  
Title: Vice President

USWFS DIRECT TRUST GRAND TRUNK, a  
Delaware business trust

By: CHASE MANHATTAN BANK  
DELAWARE, not in its individual capacity  
but solely as trustee of the USWFS Direct  
Trust Grand Trust

By   
Name: John J. Cashin  
Title: Senior Trust Officer VP

STATE OF COLORADO )  
 ) ss.  
COUNTY OF DENVER )

On this 26th day of August, 1997, before me personally came Steven Carlson to me known, who being by me duly sworn, did depose and say that he resides at Denver, Colorado; that he/she is the Vice President of U S West Financial Services, Inc., the corporation described in, and which executed, the above instrument; and that he signed the same as the act of said corporation by order of the Board of Directors of said corporation.



  
Notary Public  
My Commission Expires: March 9, 2001



STATE OF DELAWARE     )  
  )  
COUNTY OF NEW CASTLE )

On this 3rd day of September, 1997 before me personally came John J. Cashin, to me known, who being by me duly sworn, did depose and say that he resides at Chaddsford, PA; that he is the Vice President of Chase Manhattan Bank Delaware not in its individual capacity but solely as trustee of USWFS Direct Trust Grand Trunk, the trustee discussed in, and which executed, the above instrument on behalf of such trust; and that he signed the same as the act of said corporation by order of the Board of Directors of said corporation.

*Diane L. Prengle*  
Notary Public  
My Commission Expires 10-13-98

DIANE L. PRENGLE  
NOTARY PUBLIC  
COMMISSION EXPIRES  
10/13/98



**SCHEDULE I**  
**to**  
**Bill of Sale and Assignment**

<u>Type</u>	<u>Specifications</u>	<u>AAR Mechanical Designation</u>	<u>Builder's Plant</u>	<u>Quantity</u>	<u>Lessee's Identification Numbers (Inclusive)</u>
Tri-level fully enclosed auto racks with tie downs	ASK-7863	FA	Chicago Heights, IL	207	85300-85344 85346-85380 85382-85396 85398-85411 85413-85415 85417-85511
Bi-level fully enclosed auto racks with tie downs	ASK-7865	FA	Chicago Heights, IL	<u>103</u>	85600-85613 85615-85625 85628-85660 85662-85704 85706-85707
Total				<u>310*</u>	

\* 10 of the original 320 railcars have suffered a casualty loss.